

Date of Meeting: June 5, 2007

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT SERVICES COMMITTEE**

#4

INFORMATION ITEM

SUBJECT: Potomac Farms Onsite Water & Wastewater
Infrastructure Needs: Board Member Initiative

ELECTION DISTRICT: Broad Run

BACKGROUND: Supervisor Waters presented a Board Member Initiative at the May 15, 2007 Board Meeting in which the Board took action to instruct staff, in coordination with the Loudoun County Sanitation Authority (LCSA), to review an option to use tax incremental financing (TIF) as the sole source to fund the Potomac Farms utility improvements and present information at the June 5, 2005 Finance and Government Services Committee. In addition staff was directed to include within the capture area for the TIF the residential properties as well as the adjoining commercial properties at the Potomac Farms Business Park and University Center.

County staff met with LCSA staff on May 22, 2007 to review the scope of the Potomac Farms infrastructure needs, proposed solutions and estimated costs. In addition, the residential and commercial lots were tentatively identified for service area definition and incremental tax financing (TIF) analysis.

The meeting verified the following information:

1. The infrastructure need for the Potomac Farms Subdivision is limited to public water infrastructure. Sewer infrastructure is available in the Potomac Farms Subdivision for the residential users and the commercial properties have plans to extend water and sewer infrastructure to their properties. The University Center development has proffered to provide water and sewer to their lots.
2. In case of an urgent need for support, LCSA has developed a temporary engineering solution to provide public water to the residential lots served by the private water system with a cost estimate of \$100,000.
3. As a long-term solution to the problem, LCSA has developed a cost estimate to provide permanent new water infrastructure to the Potomac Farms Subdivision as follows:

a. Engineering/Design/Project Management	\$ 980,000
b. Construction	\$1,850,000
c. Availability/connection/Meter Fees	\$ 630,000
d. Service Lines/Connections	\$ 200,000
e. Paving Contingency	<u>\$ 240,000</u>
f. Total Estimate	\$3,900,000

Attachment 1

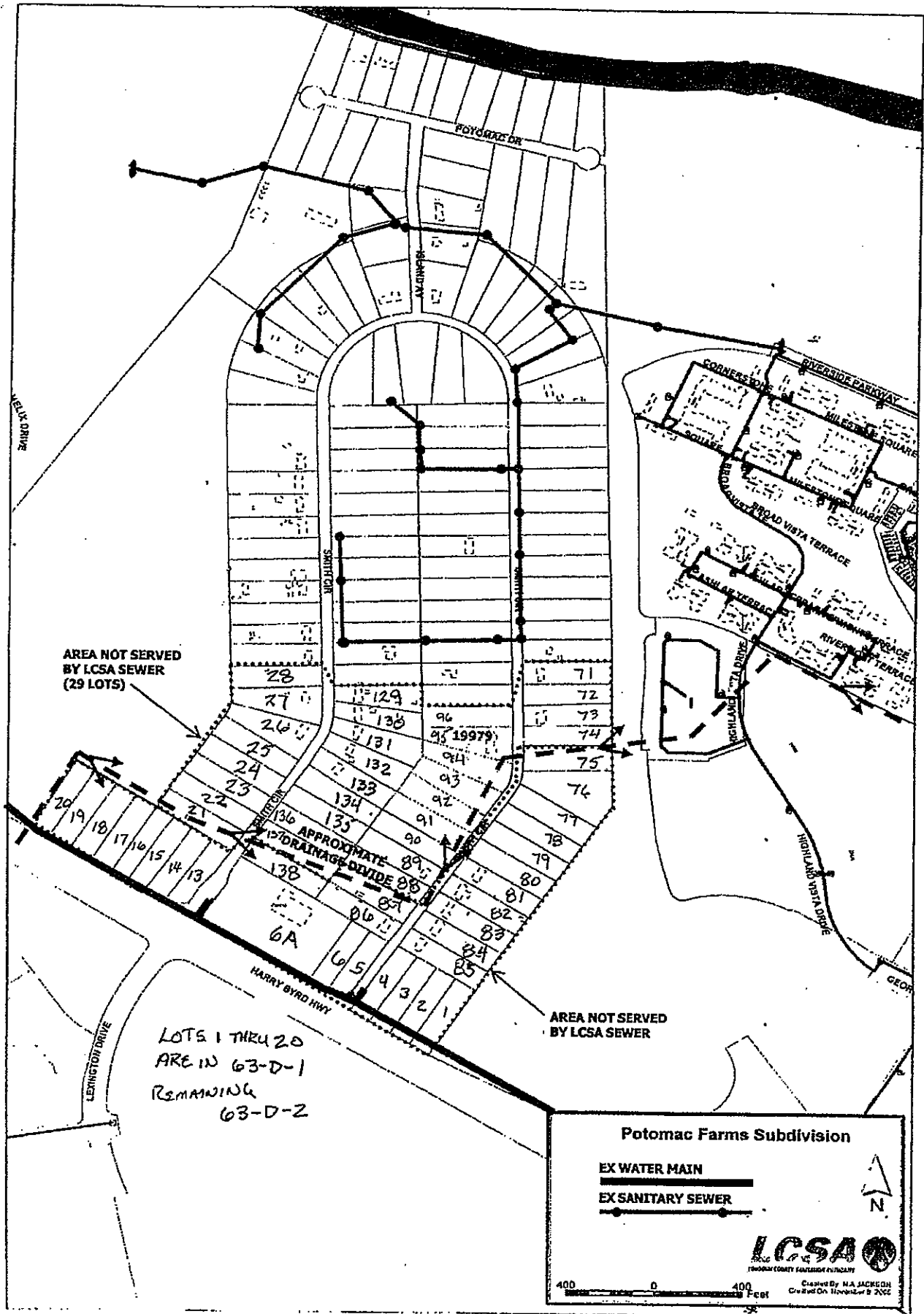
Staffs from the Department of Management and Financial Services and the County Assessor's Office are examining residential and commercial lot data in order to provide analysis of Tax Increment Financing for the new water infrastructure. County Administration and Financial Management staff advised Supervisor Waters via a conference call that the TIF analysis would not be completed by the June 5, 2007 Finance and Government Services Committee meeting. Supervisor Waters requested staff proceed with an Information Item detailing progress on the staff review. This item serves that purpose. Staff will schedule another Information Item for Finance and Government Services Committee consideration upon completion of the Tax Increment Financing analysis. The County Assessor's Office, Management and Financial Services, and the County Attorney met with LCSA staff to begin the analysis.

Issue: The Loudoun County Health Department has notified staff that the Virginia Department of Health, Office of Drinking Water issued a Notice of Violation on May 24, 2007 to the owner of the Potomac Farms water system. The notice stated that the system exceeds the permitted design capacity of the system. The Waterworks Operation Permit, effective November 6, 1992, permits a design capacity of 33 residential connections. As of April 2003, the waterworks system was serving 46 residential connections. The owner has been given thirty (30) days to address the cited deficiencies. Any residential lot owner seeking to build may not be able to obtain a building permit if they require water service other than a well. The Loudoun County Health Department is monitoring the issue and updates will be provided to the Finance/Government Services Committee as more facts are known.

Attachments: Potomac Farms Subdivision Map
Notice of Violation Letter, Virginia Department of Health

STAFF CONTACTS:

Paul Brown, Assistant to the County Administrator
Jack Roberts, County Attorney
Ben Mays, Deputy CFO
Todd Kaufman, County Assessor



ITEM 4 - ATTACHMENT 2

NOTICE OF VIOLATION

Exceedance of Permitted Design Capacity

SUBJECT: Loudoun County
Water - Potomac Farms

Ashburn, VA 20147

Dear Mr.

This notice is to advise you that you may be in violation of the Virginia *Waterworks Regulations* for exceeding your permitted design capacity. We recommend that no additional service connections be added to the waterworks until this is addressed.

According to our records, as of April 2003, your waterworks has been servicing 46 or more residential connections. Your Waterworks Operation Permit with the effective date of November 6, 1992 permits a design capacity of 33 residential connections. A construction permit was issued by our office on May 16, 2002 for additional storage and booster pumps necessary to increase the permitted capacity. However, this permit has expired as of May 16, 2007 and no construction has taken place.

VDH requests that you submit to this office within thirty (30) days a schedule of your intended actions to address the deficiencies noted above. We look forward to your cooperation in the maintenance and operation of this public waterworks.

Sincerely,

Robert D. Edelman, P.E.
District Engineer

MFS:RDE

CC: Loudoun County Health Department: ATTN Alan Brewer
ODW - Central

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